

Higher Immigration, Lower Outmigration Contribute to Nonmetro Population Growth

The ability of nonmetro areas both to retain current residents and to attract newcomers increased during the late 1980's and early 1990's. Higher immigration contributed more to population growth in central and southern areas while lower outmigration was more important in high-amenity sections of the Rocky Mountains and Colorado Plateau.

From 1988-89 to 1993-94, annual nonmetro immigration rose 7.1 percent (from 2.55 million to 2.73 million people) while outmigration decreased 2.3 percent (from 2.54 million to 2.48 million people). Higher immigration and lower outmigration fueled the recent revival of nonmetro population growth, with higher immigration contributing more overall. The joint effect of more newcomers arriving and fewer residents leaving created a 17-fold increase in nonmetro population growth attributed to net migration, from 15,000 people in 1988-89 to 254,000 people in 1993-94. The latter amounts to a 0.6-percent annual growth rate from net migration, double the average annual rate of loss during the 1980's and close to the large migration gains of the 1970's.

Net Migration Rates Are Tip of Total Migration Iceberg

The previous article uses Census Bureau estimates of population change and its components—net migration and natural increase—to analyze trends during 1990-95 compared with the 1980's. Results show that domestic net migration played a major role in nonmetro areas, accounting for half of total population growth during the first half of the 1990's. But net migration is just a fraction of the total rearrangement of population taking place from migration in nonmetro areas. This article uses data from the Internal Revenue Service to examine in- and outmigration flows separately, comparing 1993-94 patterns with similar data from 1988-89. (See "About the Estimates," below, for a description of the data.) It is not surprising that results corroborate the previous article's findings of a broad population revival fueled by increasing net migration, because the Census Bureau uses the Internal Revenue Service's data in its population estimates.

Nonmetro net migration for the Nation as a whole measures the net gain or loss due to population exchange with metro areas but does not indicate the size of the component in- and outmigration flows. Neither does it measure the large number of moves from one nonmetro county to another. These two migration flows—to and from metro areas and within nonmetro territory—sustain an ongoing redistribution of population, causing some areas to grow rapidly while others decline. During 1988-89, at a time when net migration was close to zero, nonmetro in- and outmigration rates both exceeded 6 percent. The latest annual net migration rate of 0.6 percent results from an immigration rate of 6.6 percent offset by 6 percent outmigration.

About the Estimates

The Internal Revenue Service compiles annual, county-level migration data by matching current-year tax returns with those from the previous year and comparing addresses. If a county of residence is different in the previous year, members of that family are considered migrants. If the county is the same or no matching return is found, they are considered nonmigrants. The number of exemptions claimed on the return serves as a proxy for the number of migrants in that family. Most people file their returns during early to mid-April, so the data here refer to flows from April of 1 year to April the next. In this article, migration changes are described using two sets of flows, 1988-89 and 1993-94.

IRS migration data cover an estimated 85-87 percent of the migrating population, offering a window into detailed, annual population dynamics not available elsewhere. Coverage varies geographically and is demographically selective—those likely to be left out include college and military migrants, labor force entrants, and the long-term unemployed. Common adjustments to the data to partially correct for geographic variation of missing individuals have not been applied here; adjustments may create more problems than they solve because the demographic groups left out most likely have very different geographic migration patterns than the population as a whole.

High-Growth Areas Exhibit High In- and Outmigration

The one-third of nonmetro counties with rapid rates of population growth during 1990-95 had the highest rates of immigration during 1993-94, as expected. They also had the highest rates of outmigration, 6.5 percent compared with 6.2 percent for declining counties. Modest-growth counties had the lowest outmigration rates. This frequently observed pattern between in- and outmigration arises because rapidly expanding labor markets generate a good deal of employment turnover. Increasing employment opportunity encourages immigration but also encourages upward mobility, including the search for better jobs outside the area. In addition, migrants tend to be more prone than others to migrate again; thus areas of high immigration have a more "footloose" population. Higher migration turnover contributes to economic and social problems often associated with rapid population growth, such as difficulties projecting school enrollments and higher crime rates.

Differing patterns of outmigration rather than immigration distinguish declining and modestly growing counties from one another. While they had equal immigration rates in 1993-94, outmigration rates were 13 percent higher for declining than for modestly growing counties. Similar differences held for 1988-89. Throughout this period, lack of opportunities for current residents rather than the inability to attract new residents spelled the difference between population growth and decline.

Patterns of In- and Outmigration Vary Geographically

Despite a higher net migration rate for adjacent nonmetro areas during the 1990's, annual migration trends portray a broadening of population growth, increasingly encompassing areas at greater distances from metro centers. Nonmetro adjacent areas increased in net migration over the 6-year period, but not as dramatically as nonadjacent areas. After losing population to net migration in the late 1980's and early 1990's, nonadjacent counties grew by 96,000 during 1993-94, capturing over one-third of total nonmetro net migration and equalling the net migration rate of adjacent areas. Immigration rates, which jumped from 5.9 to 6.5 percent, explained most of the renewed growth in nonadjacent areas. In contrast, immigration rates for adjacent counties increased only slightly from 6.4 to 6.6 percent.

The North experienced a slight drop in net migration rates from 1988-89 to 1993-94 because immigration decreased more than outmigration. In all other regions, net migration increased over the 6-year period, but the relative contribution of in- and outmigration varied. The Central region switched from negative to positive net migration, mostly from increasing immigration. Immigration also contributed much more to the seven-fold jump in net migration in the South. With an immigration rate close to 9 percent, the nonmetro West grew at twice the rate of the next fastest growing region (1.4 percent net migration).

Table 1

Population change from migration, 1993-94, by 1990-95 county population growth types

Rapid-growth counties experienced highest in- and outmigration rates

Population growth type	Migrants			Population change		
	In	Out	Net	In	Out	Net
	Thousands			Percent		
All nonmetro	2,733	2,479	254	6.6	6.0	0.6
Declining	316	348	-32	5.6	6.2	-.6
Moderately growing	1,145	1,107	38	5.6	5.5	.2
Rapidly growing	1,272	1,024	248	8.1	6.5	1.6

Note: See appendix, p. 52, for definition of 1990-95 county population growth types.

Source: Calculated by ERS using data from the Internal Revenue Service.

compared with 0.7 percent in the South). With so much attention paid to stories of California urbanites flooding the countryside, it is surprising that population retention was a key to the phenomenal growth spurt in the nonmetro West. Between 1988-89 and 1993-94, immigration to the nonmetro West increased by just 2 percent, while outmigration dropped by over 11 percent. As cutbacks in mining and other natural-resource-based industries have played themselves out and opportunities in recreation and tourism have grown dramatically, fewer nonmetro residents in the West are finding it necessary to leave to secure a job.

One outstanding trend since 1990 is the divergence in migration between the metro and nonmetro West. During 1988-89, both had positive net migration, with 80 percent of the growth going to metro areas. By 1993-94, the metro West was losing population to the rest of the country (though it continued to grow through high immigration from other countries and natural increase); this was happening at the same time that the nonmetro West was experiencing net immigration rates twice as high as any other part of the country, metro or nonmetro. The nonmetro West added 85,000 people through net migration during 1993-94—more than the entire West added 6 years earlier—but metro areas lost 139,000. As a result, the West as a whole lost population due to migration exchanges with other regions of the country, perhaps for the first time in history.

All economic county types experienced higher immigration, lower or equal outmigration, and higher net migration in 1993-94 than in 1988-89. Both farming and mining counties switched to net immigration during this interval. Interestingly, immigration contributed much more than retention to the switch among farming counties, perhaps signalling a growing attraction to these counties for reasons other than farming. Mining counties showed the largest jump in net migration, from -1.2 percent in 1988-89 to 0.1 percent in 1993-94, with higher in- and lower outmigration contributing equally.

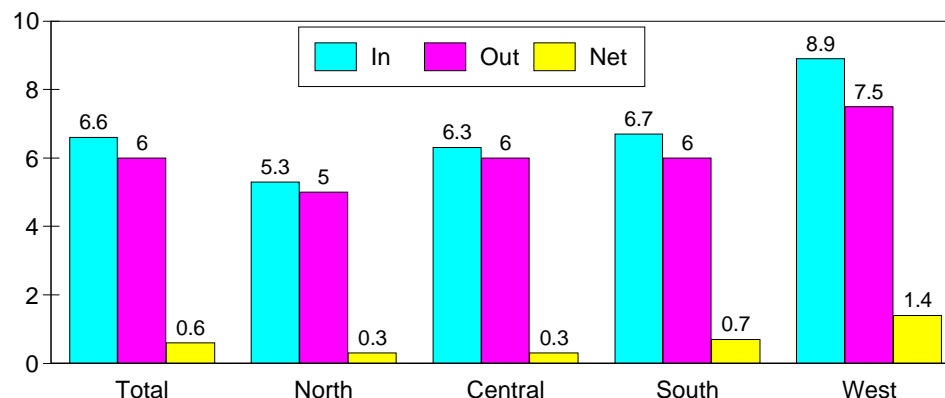
Along with retirement-destination counties, Federal lands counties now have the highest immigration rates among county types; both have immigration rates exceeding 9 percent. Federal lands counties have the highest outmigration rates as well, reflecting high turnover and instability commonly associated with fast-growing, recreation- and tourism-based economies. Nonetheless, outmigration was 9 percent lower in 1993-94 than it was 6 years before, tripling annual net migration into these amenity-rich, environmentally sensitive areas.

Figure 1

Regional nonmetro population change from migration, 1993-94

The West grew twice as fast through net migration as the next-highest region

Percent



Note: See appendix, p. 53, for definition of regions.

Source: Calculated by ERS using data from the Internal Revenue Service.

Migration a Two-Step Process

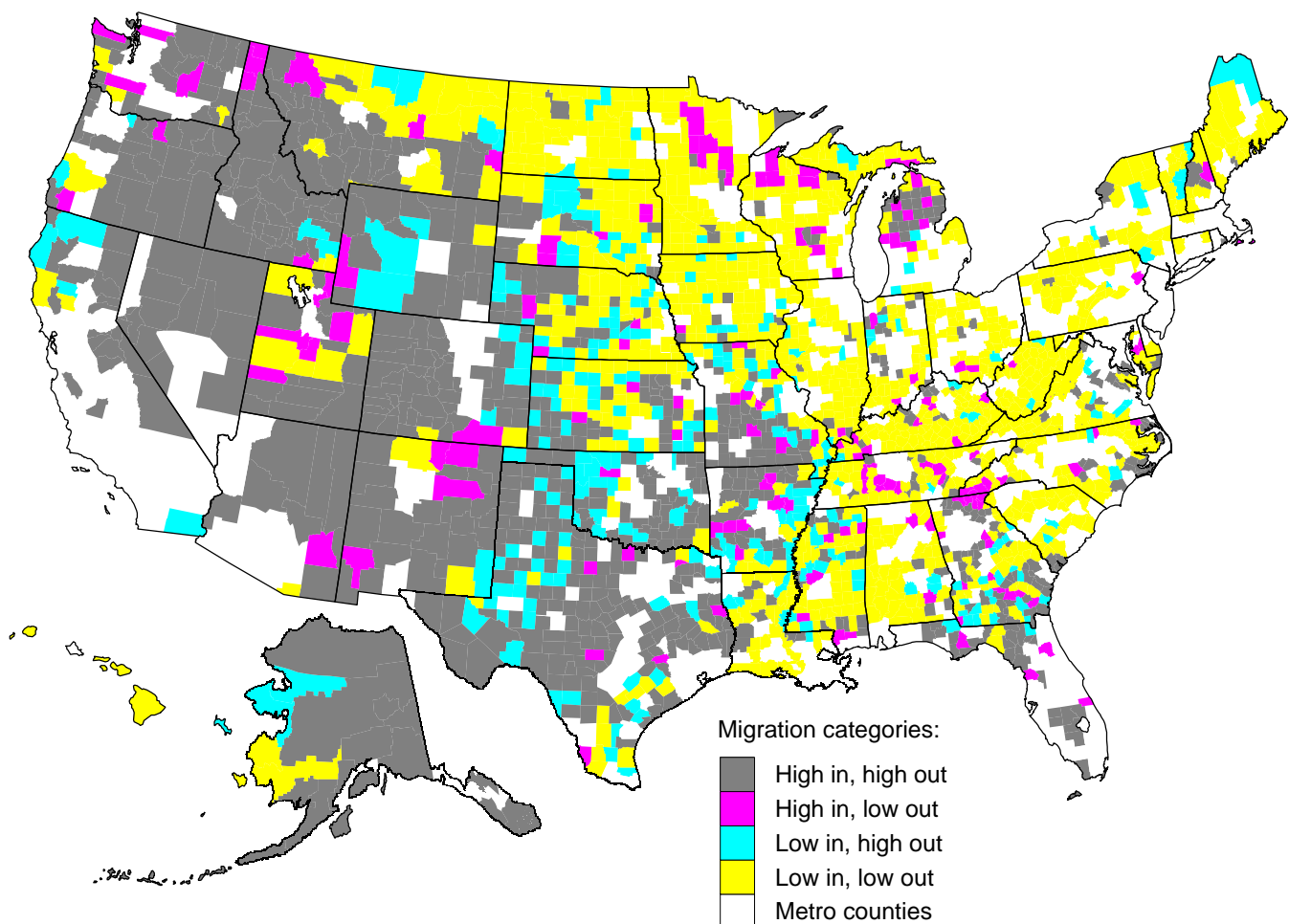
It is useful to view outmigration and immigration as separate decisionmaking processes. The former is associated with the decision of whether or not to move, while the latter is linked to the choice of a destination, once the decision to move has been made. During 1988-89, 50 percent of outmigration came from the 46 percent of nonmetro counties with the highest outmigration rates. Immigration was more concentrated, with 50 percent going to 37 percent of counties with the highest immigration rates. The concentration of outmigration remained unchanged after 6 years, but immigration became more diffused, though it was still more concentrated than outmigration. Apparently, the list of place-specific factors that attract immigrants to nonmetro areas is becoming more diverse.

Of the 944 nonmetro counties with high immigration (above 6.4 percent in 1993-94), 763 of them also had high outmigration (above 6.0 percent). Such counties dominate the Rocky Mountains and Colorado Plateau in the West, areas that also have the highest concentrations of Federal lands. They are also found in the southern Great Plains, in a broad arc stretching from the Ozarks to the Texas hill country, in the northern sections of lower Michigan, and in southern Georgia and the panhandle of Florida.

Figure 2

Nonmetro migration, 1993-94

Western, high-amenity counties are experiencing high migration turnover



Note: A 6.4-percent immigration rate divides counties into high and low "in" categories, with 50 percent of immigrants in each category; a 6-percent outmigration rate does the same for "out" counties.

Source: Calculated by ERS using data from the Internal Revenue Service.

Rapidly growing areas of high immigration and low outmigration, few in number, are commonly found on the fringes of metro areas and in high amenity areas such as the southern Appalachians and the lake country of the Upper Midwest. More common are slower growing or declining areas of low immigration and high outmigration, which are interspersed with areas of high turnover along the western fringes of the Great Plains, from the Nebraska panhandle through western Texas. A small number of such areas are also scattered through the midwestern Corn Belt and agricultural areas of the South.

Whither Nonmetro Migration?

Higher rates of job growth in nonmetro areas appear to have ended in 1995 and less favorable job-related migration patterns may occur as metro areas continue their recovery from the recession of the early 1990's. However, job-related migration adjustments may be outweighed by longer term trends, including the desire to escape urban environments, decreasing locational constraints on the producer service industry, relatively favorable real estate opportunities in nonmetro areas, and the steady increase in early retirement, recreation, and tourism. These trends are more likely to strengthen in the coming years, increasing the supply of nonmetro newcomers, especially to high-amenity areas, and allowing current residents to stay. *[John Cromartie, 202-219-0192, jbc@econ.ag.gov]*